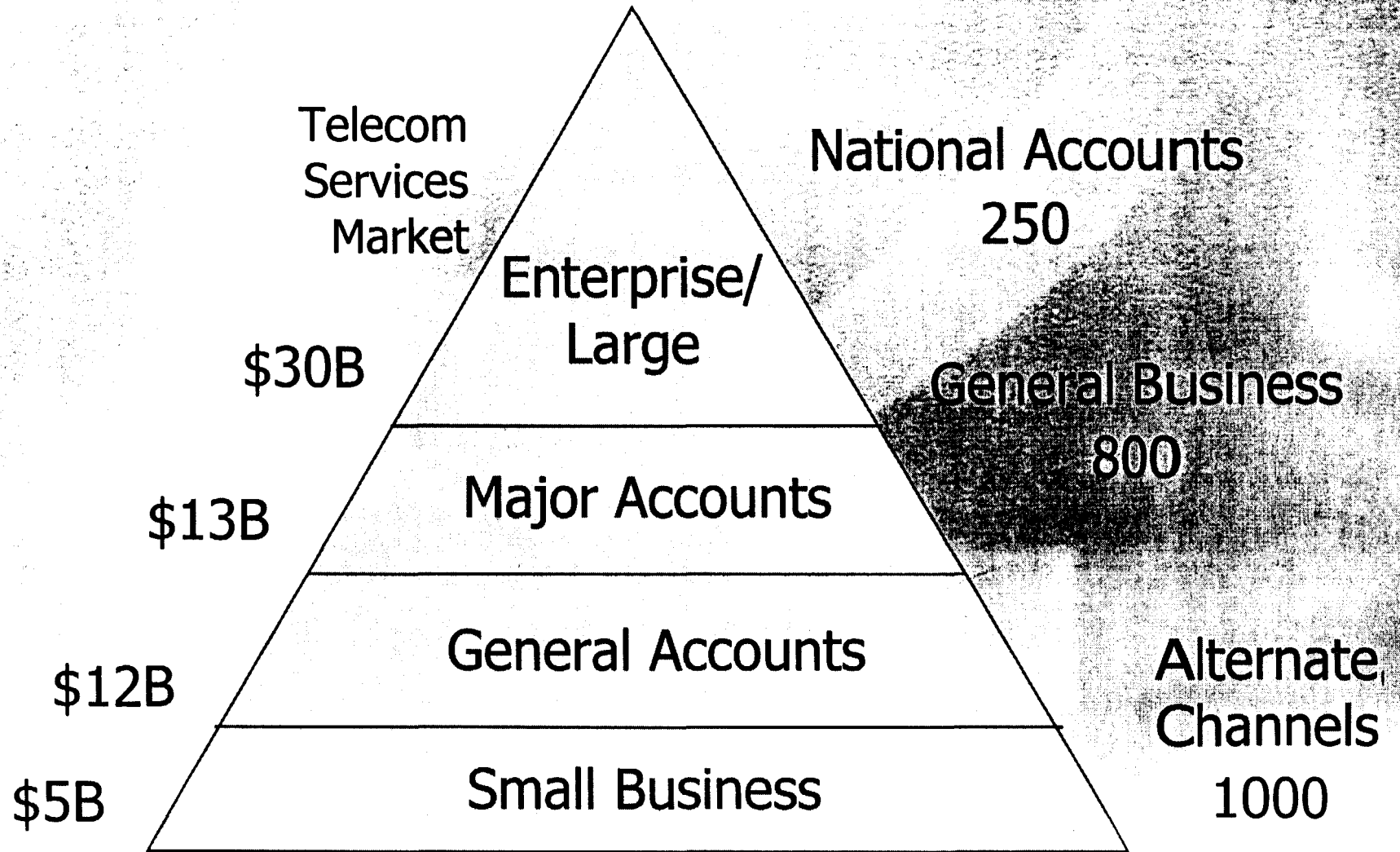


Distribution Channels Aligned with Market Opportunity



Bell South Strategic Relationship Brings Broadband Customer Reach

- Pre 271 relief
 - Target markets - high end business and data users
 - Joint sales calls, customer referrals
 - Qwest provides IP platform / transport / termination
- Post 271 relief
 - BLS has retail leadership in region / Qwest out of region
 - Joint product development, network interoperability, back office integration
- 10% equity stake valued at \$3.5 billion

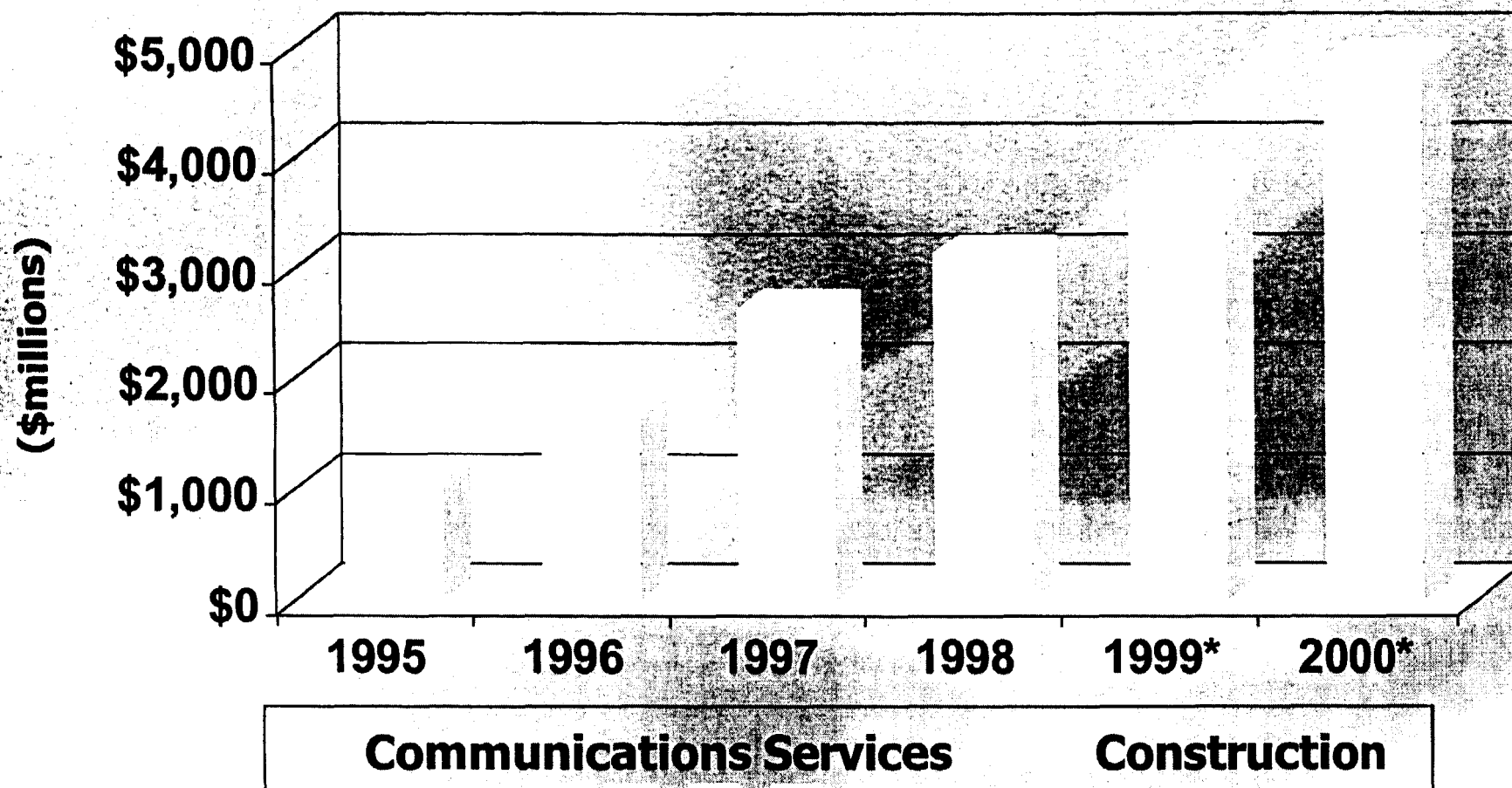
Qwest - Microsoft Alliance

- Technology
 - Carrier class NT hosting environment, to support ASP
- Distribution
 - Targeting high end Microsoft Certified Solution Providers
- NT Services
 - Launched full suite of complex hosting services
 - Complete E-Commerce service, February 1999
 - Launch VPN in mid-1999
 - Managed Software Services launch by early 2000

Demonstrated Execution

- Seasoned and deep management team
- Smooth integration of 5 acquisitions
 - Icon CMT, EUnet, LCI, etc.
- Network construction on schedule
- Consistent record of delivering on commitments
 - 8 quarters of meeting/beating expectations
 - Industry leading growth

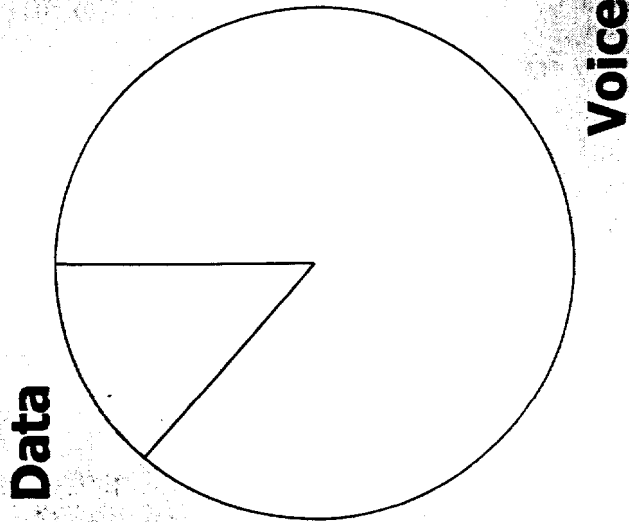
Pro Forma Revenue Growth



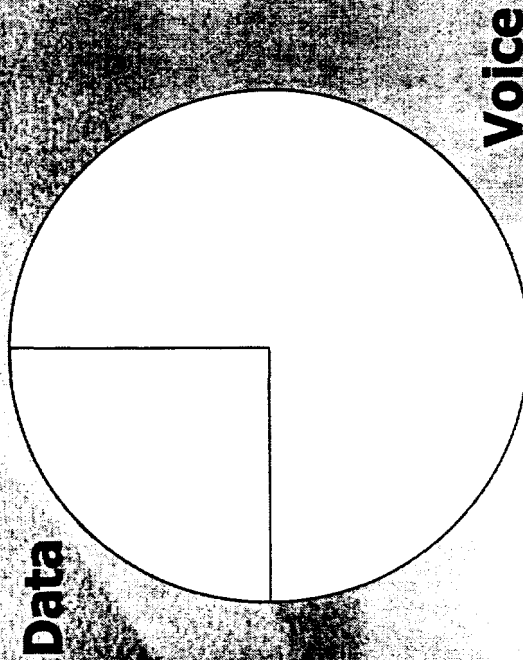
*Consensus Estimates

Revenue Mix Shifting to Internet/Data

4Q98 Revenue Mix

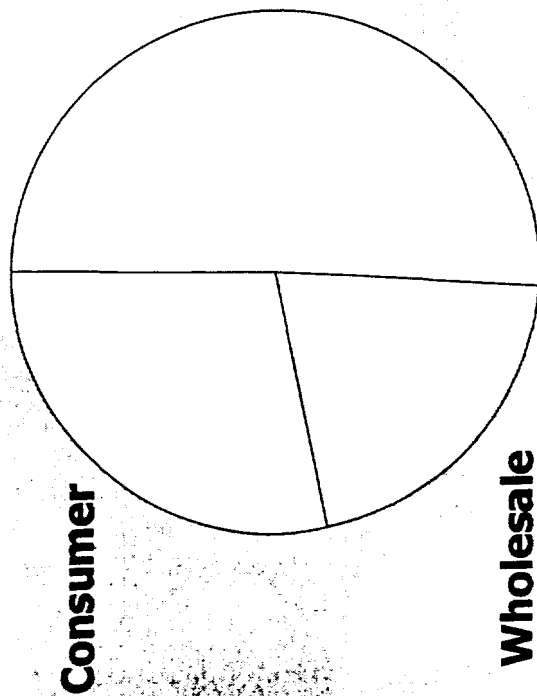


4Q99E Revenue Mix

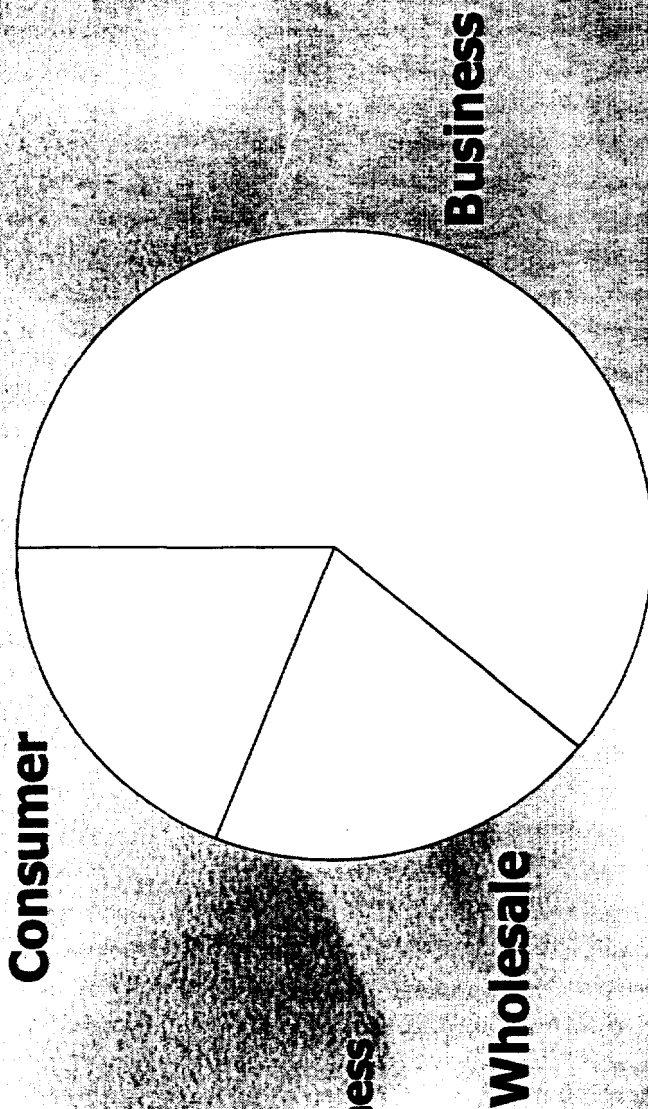


Revenue Mix Shifting to Business

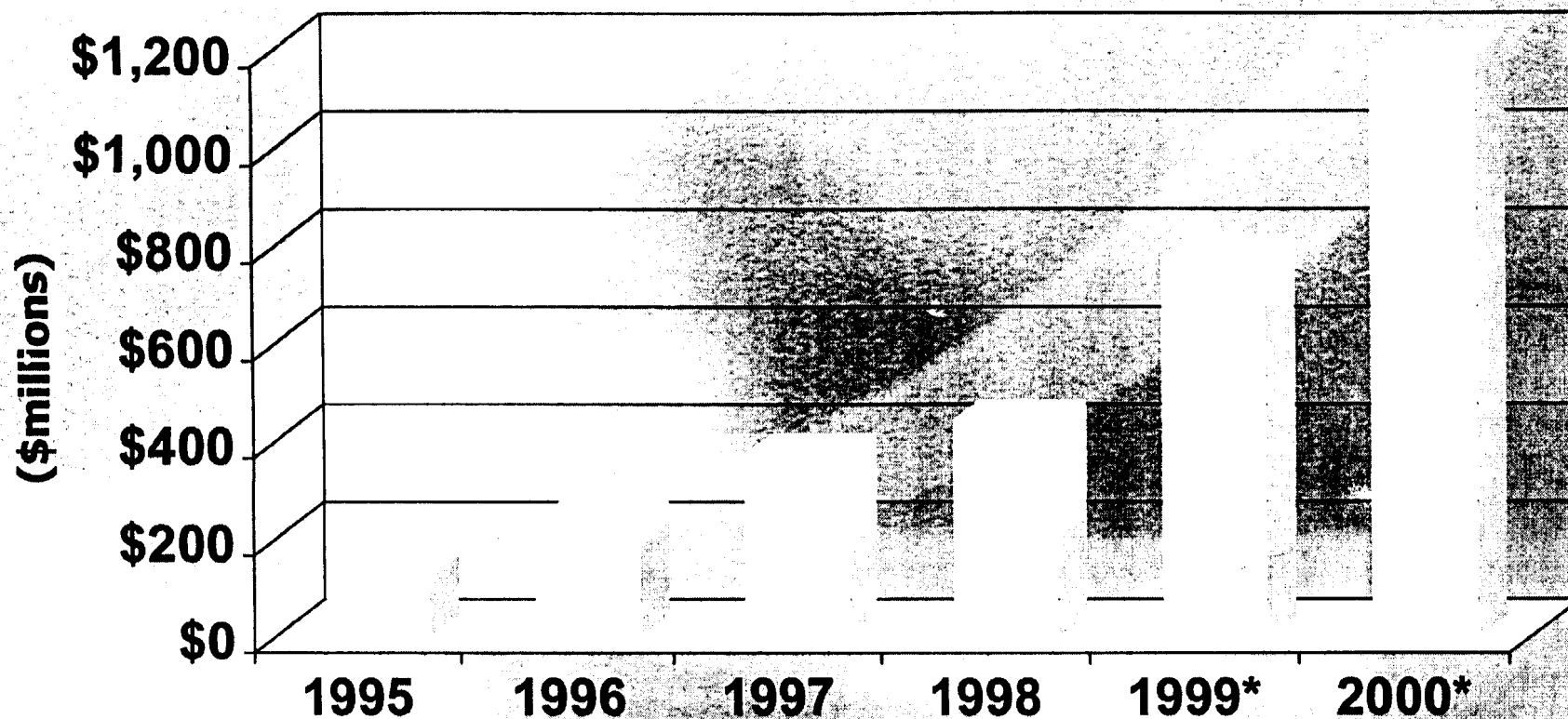
1998 Revenue Mix



2001E Revenue Mix



Pro Forma EBITDA Growth



Communications Services

Construction

Excludes Growth Share Charges

*Consensus Estimates

Comfortable with Analysts' Estimates

- Communications Services Revenue
 - 1999: \$3.4 - 3.5B (40-50% growth)
 - 2000: \$4.6 - 4.7B (30-40% growth)
- EBITDA
 - 1999 Total EBITDA: ~\$750M (80% growth)
 - 1999 Services EBITDA: \$650M+ (300%+ growth)
 - 2000 Total EBITDA: ~\$1.1B (45% growth)

Strategic Direction in 1999

- Complete network construction
- Further develop the dominant Internet platform
- Establish KPNQwest as a leader in Europe, and further global expansion including Asia
- Grow share across all markets
- More active in local connectivity area
- More strategic partnerships, alliances and acquisitions

Strong momentum for growth!

This presentation contains forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents filed by Qwest with the SEC, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements.

These materials include analysts' estimates and other information prepared by third parties for which Qwest assumes no responsibility. Qwest undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated events.

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Down

Final—

Regional Oversight Committee
Joe Nacchio Remarks
September 27, 1999

Good evening.

And thank you very much for inviting me to talk about the creation of not only a new company, but a new *kind* of company.

I would like to start with a question that I have gotten many times.

Why Qwest and U S WEST.

The answer is simple: To give customers the benefits of scale, scope and speed. Locally, nationally and worldwide.

To be successful as a competitor in an industry with rapid consolidation, you have to be bigger than Qwest would be without the merger. And you must have local and multi-national business customers and consumers who can count on you to provide what they need when they need it.

You also have to be in the market first where you want leadership. Speed to market and in serving customers better than competitors is what defines a successful company.

That's what we intend to be: Successful. Whether it's in Denver or Seattle or Omaha or Butte. And we'll need your help to reach success.

I'd like to talk a little about how the combination of U S WEST and Qwest is going to deliver on what our customers demand.

And what that means to the businesses and consumers of the region we will serve.

Generally speaking, you are all a lot more familiar with U S WEST than you are with Qwest.

So allow me to tell you a bit about Qwest.

Qwest is a broadband Internet communications company that serves about four million customers worldwide.

We recently completed 18,500-miles of our fiber optic network that employs the most advanced technologies in the world. We're building another 315 miles of network in the U.S. that will be finished later this year.

We have extended our network 1,400-miles into Mexico...

And in Europe, we're creating an 8,100-mile network through a joint venture called KPNQwest, with the Dutch Telecommunications company, KPN.

In the Pacific Rim, we're part of a consortium building a 13 thousand-mile cable from California to the Asia Pacific region.

We'll have more to say soon about expansion plans for Japan and the Asia Pacific area.

By way of technical description...the Qwest network has 888,000 fiber miles across the United States...it connects 150 cities in the U. S. and links globally to Europe and the Asia Pacific Region...the network is 10 gigabit, OC 192 speed...constructed on self-healing SONET rings with 2.4 gigabit OC48 Internet Protocol Architecture. And that's the most technical part of my remarks!

For customers in your states, the Qwest network provides the bandwidth to deliver the promise of the Internet and move more information faster than ever before.

It's the first network designed and built around the Internet.

It creates what we've been talking about for a long time: The convergence of data, voice and image communications

Which basically means that everything on every communications wish list, from movies on demand, to the most complex global e-commerce application is right here right now.

It means the future really has arrived.

Our business model is to build a network with the speed and reliability to meet the demand for a wide variety of Internet-based services.

The services range from data, image and voice communications to Web hosting.

And we've brought them to market in record time through acquisitions and alliances.

We have technology alliances, for example, with Microsoft, Cisco Systems, Hewlett-Packard, Oracle, SAP America, Sun Microsystems...and others.

Each of these relationships puts another piece of Qwest in place.

And piece by piece, our technologies and applications have been integrated into a company that can deliver services around the world.

That is what you have to do to be a survivor, much less a competitor, in the new age of information competition.

Be everywhere, do everything, be flexible in the extreme.

And build everything around the needs of you and your neighbors, among other customers.

So that very quickly is Qwest.

Let's now move on to Qwest and U S WEST together.

Why we did the merger. And what it's going to mean to the 14-state U S WEST territory, America, and the world.

The merger is about two key things: Growth and services.

In the explosive growth phase of Internet stocks...companies with a good story and a workable plan could get capital they needed from the sheer enthusiasm of the market.

And the enthusiasm for the most part was well earned.

In the competitive line up of the not too distant future, when the world of communications will come down to maybe seven or eight truly world-class players, big growth and big capitalization will be synonymous.

So together U S WEST and Qwest will have the clout to compete and possibly get even bigger in the future.

We also will be a company headquartered in the West and able to bring the benefits of being a global company to local customers.

Success after the merger will mean a greater number of services for our customers. Success also will create jobs in the U S WEST region for people who are likely your neighbors.

And our many shareowners in the region will profit, including the large number of Qwest and US WEST employees and retirees who will own our stock.

U S WEST brings a great deal to our merger. They have a 40,400-mile network. Digital Subscriber Line high-speed Internet access deployed in more than 40 cities available to nearly six million consumer households. The !NTERPRISE data networking business, which serves 225,000 Internet access customers. And industry leadership in Internet Yellow Pages.

With U S WEST we'll have the opportunity to offer customers bundles of services from long distance to local, including broadband Internet services.

What we don't have, at least to the degree that we need, is access to local customers.

This wondrous communications machine I've been describing, this bandwidth to change everything, tends to stop at the last mile.

As we slowly make our way toward achieving the vision of the 1996 Telecom Act, the local connection is going to come down to three main technologies: DSL, cable and wireless.

Now DSL may well prove to be the best way to bring all the benefits of broadband communications into the home and office. But it is not the only way.

Cable and even wireless technologies are important methods of reaching customers.

While we strongly feel the preferred method is wireline, fixed wireless could prove to be an option in a few years.

As to cable, the focus of attention is about open access. There also is an issue about modernizing the cable network over several years. And who wins the race to customers—DSL or cable---remains to be seen.

Earlier today you hosted a panel on open cable access. I couldn't make it for that discussion. So allow me to share my thoughts with you on this issue.

Just as the phone systems are open and accessible, so too must be the cable systems.

When a market is open to competition and consumers have a choice, everyone benefits.

There is no need, no reason for cable access to be restricted. Or for it to be tied to anti-competitive fees.

Qwest is putting its technological dollars behind DSL. That's our choice.

But consumers deserve a choice.

By making cable access open and affordable everyone wins.

Back to DSL.

It's going to make available to everyone the kind of local bandwidth that up to now has been only for large business.

With U S WEST, we get the country's technology leader and the market leader in DSL.

Which means that Qwest's International network and U S WEST's local network come together to provide the end-to-end capability that any real competitor is going to have to have.

Besides the technology, U S WEST knows and understands the local market. This is something Qwest is learning through joint ventures with other DSL companies, wireless companies and by building our own local networks.

The benefits of DSL service, which began in some areas in 1998, are only just beginning to be understood. First, it is always on so there is no delay in getting a connection to the network, entering a username or password. It's also fast. About 100 times faster than a typical dial-up connection.

This takes us several giant steps ahead in a hurry.

All of the advanced and innovative services that Qwest has been creating over the past four years, and all of the world's best technologies we've put in place, will be available to the customers of U S WEST.

Broadband communications to the home will be like a key that opens doors. To learning. To healthcare. To simple and sophisticated forms of electronic commerce. To bringing people closer together.

This technology will mean that distance learning will move from speeches given by educators. To something residents of the most remote hamlets in the 14 state region of the U S WEST service territory will come to take advantage of on a daily basis.

Telemedicine is not a new concept but it can become a very real service with the availability of bandwidth-enhanced communications. Doctors in large teaching

hospitals located in large cities can quite literally see and treat patients unable to travel from their rural homes.

And the term "shopping from the comfort of your home" takes on a new, exciting meaning with wide-scale deployment of broadband communications. It can mean e-commerce everywhere for everyone.

All this can occur while the essential plain old telephone service is provided in better ways.

I know there are service issues. I know there also are issues about local competition. It's our belief that Qwest's merger with U S WEST will improve both of these situations.

We will not be bound by the traditional limitations of the local telephone company model, which discouraged competition and did not reward growth. We know from experience in the Internet space that the new, competitive world that we advocate for the U S WEST territory will require a high level of service quality, or we will lose customers to our competitors.

After the merger, we intend to use funds that U S WEST previously paid out as dividends in an accelerated program to deliver both traditional and next-generation services to customers.

Another benefit of our merger will be our ability to access capital markets more effectively than either company could on its own. This will help us grow and create new services.

I've been talking about all the things we want to do for customers, employees and shareowners and the power of the Internet we want to deliver.

But one of the most important parts of the communications revolution is that people are going to have real choice in who they buy from.

Competition will win. It always does. And I'm sure you are well aware its in your states now.

The merger will increase competition by encouraging long distance and other local service providers to enter a market.

U S WEST has taken an important step by agreeing to engage in independent, third-party testing of its Operating Support Systems in anticipation of filing applications for Section 271 approval. This will help assure ready access to operating systems for local telecommunications competitors.

And Qwest is prepared to divest our InterLATA business in the U S WEST territories as part of the merger approval process until US WEST receives the necessary Section 271 approvals. Importantly, we will assure no disruption in service to customers.

We want these long distance customers back as soon as possible. So I think you will find us a company very anxious to open the region to local competition in order to re-enter the interLATA business.

With increased competition you should see service quality improve and prices be very competitive. This has been the trend when regulated businesses are opened to competition.

Before I take your questions, I want to say simply that the combination of U S WEST and Qwest makes sense.

The merger will create significant benefits for customers, employees and shareowners in our region.

We will create a company with innovative products and services, integrated wireline and wireless services, and broadband and Internet capabilities that are cutting edge.

We are going to create a whole new kind of company. A local company, sensitive to regional concerns, that can still go head-to-head with the giants of the telecom marketplace.

As we build that company we look forward to working with you.

Thank you for permitting me to join you. Now who has the first question?

#

Agenda
Joe Nacchio
October 18, 1999

Good morning every one.

And thank you, Bob (Metcalf) for the invitation to be here.

(Ad Lib)—(Observations from the morning session-will know agenda Saturday)

If we look back only three years at the growth and impact of the Internet on our world, I imagine we'd give out one loud, collective WOW.

It truly has been remarkable. But what's even more remarkable is we're just starting to see that the Internet is affecting us in ways we never imagined, changing business models, and even changing lives.

But I think the thing that really startles people is the sheer *speed* of change.

There's even a phrase for it: *Internet Time*.

It's a whole different time zone that is causing us all to reset our watches. The old time gaps have disappeared between cause and effect, action and reaction, initiative and response.

Think about it.

Three years ago, buying books on the Web, trading stocks, buying clothes, or connecting with suppliers over the Web, was just coming into focus.

Now, the Internet has given us a new definition of competition. And just as important, the Internet has shown us the future.

In critical ways, the Internet is taking off the training wheels.

We have words like e-commerce and e-magazines and IPO that have become part of our every day conversation.

We've seen whole new business models emerge for everything from selling jeans to selling stocks.

But even with all the change we've witnessed over the past three years, we haven't seen anything.

For the first time, bandwidth, software and silicon are converging to transform the net.

Video conferencing, voice over IP, video streaming, intranets, extranets. It all comes down to bandwidth.

For example, that Qwest TV commercial you've just seen, where the tired traveler asks the desk clerk in a run-down desert motel if he can get in-room entertainment.

And she says drolly: "How about every movie, ever made, in any language, available anytime, day or night?"

People may think we're taking a little dramatic license there.

We're not. Bandwidth makes it possible.

The industrial revolution and the information revolution grew out of the same compelling force.

That was un-met needs that technology was able to satisfy.

Very high on the un-met need agenda of business today is how to take advantage of the possibilities.

e-Commerce is here.

Broadband, wide-area networks are here, a-k-a Qwest.

Broadband access will soon be here.

All moving at the speed of Internet time

Someone said the problem today is that there is no present.

Just the immediate future and the recent past.

That's the way Internet time works.

You stop to analyze the present, but when you look up, you realize that events are already rounding the next bend.

So success today means not looking at the past for clues, not looking at the present for confirmation.

It means putting all your focus, energies and resources on one critical question:

What next?

Answering that question today, in ways very different from the past, means picking and hitting a target that nobody can really see.

Lots of companies have been right when they placed their bets on the Internet.

Cisco, Yahoo, E*trade and many others figured it out.

About three years ago, Qwest decided that all of those people with all those good ideas for the Internet needed a new type of communications network.

A network with unlimited bandwidth.

And they would need it now. And they would need it everywhere.

Let me give you a glimpse of how we backed our bet on bandwidth.

Today, Qwest is a broadband Internet communications company that serves about four million customers worldwide.

We recently completed 18,500-miles of our fiber optic network that employs the most advanced technologies in the world. We're building another 315 miles of network in the U.S. that will be finished later this year.

The Qwest network connects 150 cities in the U. S. and links globally to Europe and the Asia Pacific Region.

The network is 10 gigabit, OC 192 speed, is constructed on self-healing SONET rings with 2.4 gigabit OC48 Internet Protocol Architecture. That's as technical as I will get.

We have extended our network 1,400-miles into Mexico.

In Europe, we're creating an 8,100-mile network through a joint venture called KPNQwest, with the Dutch Telecommunications company, KPN.

In the Pacific Rim, we're part of a consortium building a 13 thousand-mile cable from California to the Asia Pacific region.

We'll have more to say soon about expansion plans for Japan and the Asia Pacific area.

What's most important, is not how the network operates or where it is located. But what it does.

It creates what we've been talking about for a long time: The convergence of data, voice and image communications

Everything on every communications wish list, from movies on demand, to the most complex global e-commerce application is right here right now.

Being at the heart of convergence puts us in the fast-forward cycle of possibility.

Where yesterday's concept is today's demand.

Three years ago, hosting was just a vaguely-defined buzzword.

A year ago, no one spoke of himself as a facility-based Applications Services Provider.

And until two weeks ago, when we announced a \$1.5 billion dollar deal with Hewlett-Packard, no one was seriously focusing on the online data storage market.

Analysts say the online data storage market will be worth nearly \$100 billion dollars by 2001.

We also announced two weeks ago an expansion of our CyberCenters for Web hosting. We'll be building seven new centers in the coming months, and possibly another six centers after that.

These CyberCenter facilities are so popular that we were out of capacity in 13 days when we opened the Sunnyvale, California center.

That's the way things work when you're traveling at Internet time.

Until a year ago, voice over the Internet was for hobbyists.

Now, predictions are for a \$25 billion market by 2002. Some experts say that over half of all calls will go over the Internet in about two years.

And when this volume of voice on the net is achieved, there will be the opportunity to revolutionize customer service by combining online convenience with live service support.

Possibility drives need, and filling the need drives new possibility.

It's been the cycle of progress for centuries. But never before has it happened so fast.

The Internet economy and the general economy will soon cease to be two different things.

The future has made us an offer we can't refuse. The message to business is get good at this New World. And get good at it fast.

Business will also be using bandwidth to retool fundamental processes.

Why keep printing and reprinting pricing or training material when you can update it by the hour on a secure Web site?

Why shrink wrap and ship billions of pieces of software when your customers can download them?

Why make engineering teams travel around the world when they can meet through flawless video conferencing and work simultaneously on the most complex designs?

The answer is, you shouldn't. And you don't have to.

An example of how Internet time can dramatically alter a business process is Microsoft.

(Ad Lib)---Microsoft using Qwest to deliver its software updates. Invested \$200 million in Qwest just because they believed in what we are doing.

Bill Gates has said Microsoft is always two years away from failure.

Indirectly, he was speaking of bandwidth.

In a world of *narrow* bandwidth, there is time to adapt to change as events queue up.

In a world of *wide* bandwidth, and all the applications it empowers, competitors can own your best ideas in a heartbeat.

Your latest and greatest technology can become obsolete before you unwrap it.

And the providers of bandwidth and applications are not immune to fast changes in the market.

Qwest started out selling network capacity to other carriers. In fact, we called ourselves the carriers' carrier.

(Ad Lib)---Then we moved to retail telecom